



PRESS RELEASE

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Massachusetts Man Pleads Guilty to Tax Fraud for Failing to Report Income

A West Bridgewater, Massachusetts, man pleaded guilty today to one count of filing a false individual income tax return, Acting Assistant Attorney General Caroline D. Ciraolo of the Justice Department's Tax Division announced.

According to court documents, Keith Eaton, 51, did not file federal individual income tax returns with the Internal Revenue Service (IRS) for the years 1998 through 2003. In 2004, the IRS assessed Eaton more than \$280,000 in taxes, interest and penalties for the years 1998 through 2001.

From November 2004 to April 2008, Eaton was employed at a heating and air conditioning company in Brockton, Massachusetts. Each year, the company provided Eaton with Forms 1099 reflecting his compensation. Despite receiving these Forms 1099 reporting significant earnings, Eaton did not file timely individual income tax returns with the IRS for years 2004 through 2008. In November and December 2009, Eaton filed Forms 1040 for himself for the years 2000 through 2008 in which he falsely reported receiving no income for any of those years.

In or about November 2008, Eaton began operating Eaton Mechanical LLC, a heating and air conditioning business. In an attempt to thwart the IRS's effort to collect his back taxes, Eaton caused checks from the business bank account to be made payable to himself and then cashed the checks. Eaton used the cash to pay his personal expenses, including his mortgage. Finally, despite having sufficient income from the operation of his business to require him to file income tax returns, Eaton failed to file individual income tax returns for the years 2009 through 2012.

U.S. District Court Judge William Young for the District of Massachusetts scheduled Eaton's sentencing for Sept. 14. Eaton faces a statutory maximum sentence of three years in prison and a maximum fine of \$250,000. Under the terms of the plea agreement, Eaton is required to pay restitution for his unpaid tax liabilities for the years 1998 through 2012.

Acting Assistant Attorney General Ciraolo commended the special agents of IRS-Criminal Investigation who investigated the case and Trial Attorneys Brittney Campbell and Kenneth Vert of the Tax Division, who are prosecuting the case.

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